

# BUTTER AND CHEESE

## Canadian Farmer Bound to Suffer Lower Prices Under Reciprocity

What would the results be if Canada should enter into free trade in **Butter** under the proposed Reciprocity agreement?

Her farmers would be confronted with the competition on her own markets of such producing countries as Denmark, Russia, Australia, New Zealand, Argentine Republic, Sweden and Norway, as well as the United States.

Would this competition amount to anything?

At present the export demand from Great Britain is the controlling factor in the Canadian butter market, and it is interesting to note that the average prices realized in Great Britain during the year 1909 for butter imported from **Russia, Australia, New Zealand, United States** and **Argentine Republic** were lower than those obtained for Canadian butter. In the matter of prices, then, these countries would be prepared to undersell Canada on her own market, as they do now on the British market.

### High Quality of Danish Butter.

Denmark, which is the largest exporter of butter to Britain, gets much more for her products than does Canada. This is because of the quality of the Danish butter, which is said to be superior to any other make in the world. The fine flavor of Denmark's dairy product would thus ensure a successful competition on the Canadian market even in the face of lower prices. Just as the English consumer is willing to pay more for Danish butter, so would the Canadian consumer do the same.

Great Britain in 1909 imported 455,034,944 pounds of butter worth \$109,134,815, from the following countries:

Denmark .....	\$51,671,648
Russia .....	14,325,256
France .....	11,292,185
Australia .....	9,770,695
Sweden .....	7,170,746
New Zealand .....	7,164,799
Netherlands .....	3,879,999
Argentine Republic .....	1,907,801
Norway .....	797,481
Canada .....	585,913
Other Countries .....	568,292

### Canada Would Be Deluged.

The above is sufficient to show that Canada, under the Reciprocity agreement, would be open to a deluge of butter from countries whose production and exportation of that product are the largest in the world to-day. The high prices which the farmer in Canada is enjoying to-day would be sacrificed.

Moreover, under Reciprocity, if Canada's market should be inundated at any time, there would be no relief, no outlet back to those countries who had sent us their product.

### Unfair Competition.

The following comparison of tariffs on butter, if Reciprocity becomes law, shows that Canada gives free entrance to all her



competitors, but must pay duty to all of them, except the United States, if she wishes to send butter back to them:

Canada—Free from Favored Nations and British Possessions, including Denmark, Russia, Australia, Sweden, New Zealand, Argentine Republic, Norway and United States; otherwise 4 cents per lb.

Australia—6 cents per pound.

New Zealand—General Tariff, 30% ad valorem.

British Preferential Tariff, 20% ad valorem.

(Canada is entitled to the B. P. Tariff.)

Denmark—In hermetically sealed vessels, 4½c. per lb.; otherwise, free.

Argentine Republic—4 2-5c. per pound.

United States—From Canada, free; otherwise, 6c. per lb.

Sweden—2 2-5c. per lb.

Norway—Minimum Tariff, 1 4-5c. per lb. Maximum Tariff, 3c. per lb.

Russia—1 7-10c. per lb.

### Our Small Exports of Butter.

Canada's export trade in butter is not so great at the present time that her farmers can afford to imperil their dairy industry by a tariff scheme that would, in all probability, make the country's imports in this article greater than her exports. In the year ending 1910 Canada shipped only 4,615,380 pounds of butter, worth \$1,010,274. Canada's imports of butter on the other hand amounted to 687,454 pounds, worth \$104,301.

These imports into Canada last year are given below, with the rate of duty that had to be paid on coming into the country; and also with the changes in that rate which would be effected under Reciprocity. By these changes Canada would lose her revenue on all foreign shipments into the Dominion.

Country	Quantity	Value	Rate of Duty	Rate under Reciprocity Agreement
Great Britain	45,837 lbs.	\$ 11,573	Br. Pref. 3c. per lb. Gen. Tar. 4c. per lb.	B. Pref. Free Possibly Free
Australia	547,149 lbs.	68,754	4c. per lb.	Free
Newfoundland	3,820 "	763	4c. " "	"
New Zealand	21,840 "	4,871	3c. " "	"
Norway	1,000 "	200	4c. " "	"
Turkey	240 "	65	4c. " "	4c. per lb.
United States	67,568 "	18,075	4c. " "	Free
	687,454	\$104,301		

### What Would Happen.

As far as butter is concerned, the Reciprocity agreement would mean:

- (1) Lower prices for the Canadian farmer.
- (2) The loss of what little export trade he now enjoys.
- (3) The loss of what small revenue now is realized from imports into Canada.

(4) A general demoralization of the dairy industry in Canada, due to the inevitable lowering of prices and mixing of foreign and home grades of butter.

### CHEESE.

Trade in Canadian cheese, even to a greater extent than in butter, is dependent upon the great export demand from Britain. Canada ships more cheese into the British market than any other



country in the world, and it is because of that great output that prices remain so high and firm in the dairying districts of our Eastern Provinces.

### **Would Seek an Empty Shadow.**

The advocates of Reciprocity with the United States would turn from the splendid British market and send our cheese across the border to New York, Boston, Philadelphia, Chicago, and other large American centres. They argue that prices are higher in the United States than in Canada, and that Canadian cheese makers will be able to hold their present enviable position on the British markets and supply the States too.

This policy reminds one of the old fable about the dog with a large, succulent steak in his mouth jumping into the water in a vain attempt to secure a bigger piece of meat. The bigger piece turned out to be only a shadow, and the poor dog, besides being disappointed, lost the choice morsel that he had been carrying.

### **Largest Exporter of Cheese to Britain.**

Canada, in the year ending 1909, shipped 176,408,960 pounds of cheese, worth \$22,106,108, to Great Britain. The average value per pound was 12 53-100 cents. But, had Canada received for her cheese an average price equal to that received by the cheese-makers of the United States for their exports to Great Britain, she would have realized a total return of only \$21,753,118, or a loss of \$352,990.

### **Canada Could Not Do Better.**

How, then, can Canada benefit in the matter of prices by adopting the Reciprocity agreement with the United States?

The following statement of cheese imports into Great Britain in 1909 is sufficient to show Canada's excellent position in the Motherland:

Belgium .....	\$ 981,129
France .....	790,152
Netherlands .....	3,265,426
United States .....	636,443
Other Foreign Countries .....	30,504
New Zealand .....	5,420,075
Canada .....	22,106,108
Other British Possessions .....	8,828

---

\$33,238,665

### **How Our Reputation Would Suffer.**

What is still more important than prices is Canada's reputation for quality in the cheese markets of Britain. The above statement is conclusive evidence of the reputable standing of Canadian cheese. Free trade with the United States in this article would undoubtedly tend to lower the standard of our cheese abroad. The retrogression would result in two ways.

First, cheese from the United States, and also from France and New Zealand would mingle freely with the home-made article on the Canadian market, and dealers would be only too liable to ship foreign cheese to Britain as Canadian cheese. Thus Canada's reputation would be imperilled. Under the present protective tariff no such injury could be worked against the dairy industry.

Secondly, Canadian cheese would be imported largely by



United States dealers, and exported by them to the Old Country as American cheese. Slowly but surely Canada's position would be stolen by her astute neighbor.

### **United States Would Do Canada's Export Business.**

One would be safe in saying that very little of the Canadian cheese imported by the States would be consumed in the United States. The dealers across the line would use our cheese to help their own export trade, and for nothing else. It is well known that the American market, for home consumption, demands a soft variety of cheese, that is not made in Canada. From 100 pounds of milk the cheesemaker in the States makes about 11 pounds of cheese, whereas in Canada only 9 pounds of cheese are produced from 100 pounds of milk. In other words, the American cheese contains about 42% of water, while there is only 36% in the Canadian harder product. Thus it may be seen that the United States dealer would have no other use for Canadian cheese than to export it.

### **A One-Sided Deal.**

The unfairness to Canada of the entire proposition is still more manifest when the positions of France and New Zealand are considered. As stated above, France and New Zealand would have free access to the Canadian cheese market in the same way as the United States. This would be so owing to the provision in the Reciprocity agreement that all tariff advantages granted to the United States by Canada must also be granted to all British possessions, and to France with regard to certain articles (including cheese) covered by the French Treaty.

As has been shown in the statement above, New Zealand is the second largest exporter of cheese to the British markets, and it is well known that dairying is the New Zealander's chief industry. France is also famous for her dainty makes of cheese, such as Rocquefort. These two countries, while not yet as celebrated exporters of cheese as Canada, are very large producers, and under Reciprocity they would remain protected against Canada, as against the open market tendered to them by this country. Canadian cheese would still be subject to the following duties in France and New Zealand:

#### **France—**

Hard Cheese .....	220 lbs.	\$2.31½
Soft (ripened) .....	220 lbs.	3.86
Semi-hard and other .....	220 lbs.	2.89½
New Zealand .....	20% ad valorem	

### **The Results.**

In view of the facts, what would be the results if Canada decides to change her present fiscal policy?

(1) The theft of Canada's export trade by the United States.  
 (2) The unfair competition of foreign makes of cheese on Canada's own home market, and the degradation of the Canadian cheese industry through the intrusion of the inferior products of other countries.

(3) The very great loss of Canada's supreme position on the British market would result through the lowering of the standard of Canadian cheese, and with the fall would come a decided recession in prices. The steady, firm market which prevails in Canada to-day would be made weak and unstable.